

SURROUNDING AREA ANALYSIS

LOCATION

The subject is located in the northeast portion of the city of Laredo at the southwest corner of the intersection of McPherson Avenue and Gale Street.

ACCESS AND LINKAGES

Primary highway access to the area is via Interstate Highway 35, US Highway 59 (Saunders Street), Loop 20 (Bob Bullock Loop), McPherson Avenue, and Del Mar Boulevard. Public transportation is provided by the El Metro Bus System and provides access throughout the city. The Laredo International Airport is located approximately 0.5 mile east of the subject along the west line of Bob Bullock Loop (Highway 20) and Saunders Street (US Highway 59). Overall, the primary mode of transportation in the area is the automobile.

DEMOGRAPHIC FACTORS

The primary market area generally includes a five-mile radius surrounding the subject. The following data was extracted from *The Site To Do Business* (CCIM Institute), and provides insight on the subject market area's demographics.

DEMOGRAPHIC DATA			
5-Mile Radius	Population	Number of Households	Average Household Income
1990	114,723	30,437	\$27,048
2000	145,985	40,085	\$42,717
2005 (estimate)	166,520	45,875	\$42,896
2010 (projection)	185,766	51,408	\$46,054
<i>Source: The Site To Do Business</i>			

The market area is a growing area. In fact, the Laredo area is one of the fastest growing areas in the United States. It should be noted that the area has a lower than average household income relative to Texas. The population within the subject's primary market area (5-mile radius) increased 14.1% between 2000 and 2005, and is projected to increase by 11.6% between 2005 and 2010.

LAND USE

The area is urban in character and approximately 75% developed. Land uses immediately surrounding the subject are predominantly retail with typical ages of building improvements ranging from 10 to 25 years. Property types adjoining the subject include a Shell convenience store/gas station, Grainger Industrial Supply, an office/retail building, the Tile Warehouse, Virlar Auto Parts, and a bowling alley.

AREA RETAIL USES

The following new retail properties that have significant drawing power benefit the subject and other retail properties in the area: Circuit City, Bank of America, Hal's Landing, El Rancho Restaurant, Los Ajos Restaurant, Freshest Delicatessen, Chicago Uno, Buffalo Wild Wings, Palinque Grill, Howie's Pizza, Carl's Jr., Wendy's, Church's Fried Chicken, Super Wal-Mart, and Target. It should be noted that Laredo's Best Buy and Wal-Mart (not Super Wal-Mart) are top performers for their respective chains on a national basis. Other new developments in the area include Embassy Suites, La Quinta Inn & Suites, Homewood Suites, and Residence Inn. A new Best Western motel will be built in Laredo in the near future as well.

OUTLOOK AND CONCLUSIONS

The area is in the growth stage of its life cycle. Recent development activity has been strong. We anticipate that property values will increase slightly in the near future.